

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA

FILED  
September 20, 2010  
CLERK, U.S. BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA  
  
0002939937

In re: Matterhorn Group, Inc.  
In re: Vitafreeze Frozen Confections, Inc.  
In re: Deluxe Ice Cream Company

Case No. Lead Case No. 10-39672 (MSM)  
Jointly Administered with Case Nos. 10-39664 (MSM), and  
10-39670 (MSM)

CHAPTER 11  
MONTHLY OPERATING REPORT  
(GENERAL BUSINESS CASE)

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 8/31/2010 (covers Petition Date of 7/26/10 to 8/31/10)

PETITION DATE:

07/26/10

X

Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Cash Basis of Accounting for the Debtors. The Debtors used a Cash Basis to be consistent with the Court-approved cash collateral budgets which were also done on a Cash Basis).

Dollars reported in \$1

**Asset and Liability Structure**

- a. Current Assets\*\*
- b. Total Assets
- c. Current Liabilities
- d. Total Liabilities

End of Current Month	End of Prior Month	As of Petition Filing
\$20,733,517		
\$23,793,452		
\$654,836		
\$19,675,232		
		\$22,739,943 Assets- Per Schedules provided
		\$19,082,872
		Cumulative (Case to Date)

**Statement of Cash Receipts & Disbursements for Month**

- a. Total Receipts
- b. Total Disbursements
- c. Excess (Deficiency) of Receipts Over Disbursements (a - b)
- d. Cash Balance Beginning of Month
- e. Cash Balance End of Month (c + d)

Current Month	Prior Month	As of Petition Filing
\$8,449,124		
\$6,001,140		
\$2,447,985	\$0	
\$0		
\$2,447,985	\$0	
		\$2,447,985
		Cumulative (Case to Date)

**Profit/(Loss) from the Statement of Operations**

**Account Receivables (Pre and Post Petition)**

**Post-Petition Liabilities\***

**Past Due Post-Petition Account Payables (over 30 days)**

Current Month	Prior Month	As of Petition Filing
\$539,867		
\$4,356,039		
\$654,836		
\$0		

**At the end of this reporting month:**

- 1. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)
- 2. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)
- 3. If the answer is yes to 8 or 9, were all such payments approved by the court?
- 4. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)
- 5. Is the estate insured for replacement cost of assets and for general liability?
- 6. Are a plan and disclosure statement on file?
- 7. Was there any post-petition borrowing during this reporting period?

**Yes**

**No**

Payments made to employees and cold storage vendors per court order

Payment was made pursuant to cash collateral budget into a segregated account. No payments will be made out of such account until payments from such account are approved by the Court

Check if paid: Post-petition taxes X; U.S. Trustee Quarterly Fees: Not due yet; Check if filing is current for: Post-petition tax reporting and tax returns: X.

(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 9/20/2010 0:00

/s/ Jennifer K. Loving  
Chief Financial Officer

6- Does not include any outside professional fees or ordinary course of business expenses such as accrued payroll or other employee related expenses.

\*Current Assets is net of a one time inventory write down of \$1.2 million for obsolete inventory.

## STATEMENT OF OPERATIONS

### **(General Business Case)**

For the Month Ended 8/31/2010 (covers Petition Date of 7/26/10 to 8/31/10)

Current Month			Cumulative (Case to Date)		Next Month Forecast
Actual	Forecast	Variance			
\$8,438,271	\$7,702,504	\$735,767	1 Gross Sales	\$8,438,271	\$4,045,466
\$0		\$0	2 less: Sales Returns & Allowances	\$0	
\$8,438,271	\$7,702,504	\$735,767	3 Net Sales	\$8,438,271	\$4,045,466
\$5,462,478 *	\$3,553,270	(\$1,909,208)	4 less: Cost of Goods Sold (Schedule 'B')	\$5,462,478	\$3,484,134
\$2,975,793	\$4,149,234	(\$1,173,441)	5 Gross Profit	\$2,975,793	\$561,332
\$0		\$0	6 Interest	\$0	
\$0		\$0	7 Other Income:	\$0	
		\$0	8		
		\$0	9		
\$2,975,793	\$4,149,234	(\$1,173,441)	10 Total Revenues	\$2,975,793	\$561,332
<b>Expenses:</b>					
\$60,432	\$6,000	(\$54,432)	11 Compensation to Owner(s)/Officer(s)	\$60,432	\$5,000
\$1,186,527	\$1,127,940	(\$58,587)	12 Salaries	\$1,186,527	\$1,136,914
\$0		\$0	13 Commissions	\$0	
		\$0	14 Contract Labor		
<b>Rent/Lease:</b>					
\$7,800	\$0	(\$7,800)	15 Personal Property	\$7,800	\$0
\$41,915	\$101,842	\$59,927	16 Real Property	\$41,915	\$53,182
\$0	\$56,918	\$56,918	17 Insurance	\$0	\$51,108
\$0		\$0	18 Management Fees	\$0	
\$0	\$44,914	\$44,914	19 Depreciation	\$0	\$44,914
<b>Taxes:</b>					
\$0		\$0	20 Employer Payroll Taxes	\$0	
\$48,078	\$12,000	(\$36,078)	21 Real Property Taxes	\$0	\$1,333
\$0		\$0	22 Other Taxes	\$48,078	
\$961	\$162,877	\$161,916	23 Other Selling	\$961	\$145,396
\$23,309	\$44,579	\$21,270	24 Other Administrative	\$23,309	\$0
\$72,532	\$72,531	(\$1)	25 Interest	\$72,532	\$72,531
\$117,556	\$157,013	\$39,457	26 Other Expenses: Utilities	\$117,556	
\$201,663	\$59,057	(\$142,606)	27 Repairs & Maint.	\$201,663	
\$536,165	\$452,874	(\$83,291)	28 Transportation	\$536,165	
\$146,079	\$300,337	\$154,258	29 Cold Storage	\$146,079	
		\$0	30		
		\$0	31		
		\$0	32		
		\$0	33		
		\$0	34		
\$2,443,017	\$2,598,882	\$155,865	35 Total Expenses	\$2,443,017	\$1,510,378
\$532,776	\$1,550,352	(\$1,017,576)	36 Subtotal	\$532,776	(\$949,046)
<b>Reorganization Items:</b>					
\$0	\$50,000	\$50,000	37 Professional Fees	\$7,091	\$118,750
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
		\$0	41 U.S. Trustee Quarterly Fees		\$13,000
\$7,091	\$15,117	\$8,026	42 Filing Fees/Mailing		\$13,000
\$7,091	\$65,117	(\$58,026)	43 Total Reorganization Items	\$7,091	\$144,750
\$539,867	\$1,615,469	(\$1,075,602)	44 Net Profit (Loss) Before Federal & State Taxes	\$539,867	(\$804,296)
		\$0	45 Federal & State Income Taxes		
\$539,867	\$1,615,469	(\$1,075,602)	46 Net Profit (Loss)	\$539,867	(\$804,296)

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

Cash Collateral Budget and Actual Cashflow used in calculations.

Actual amount includes \$1.2 million inventory write down.

**BALANCE SHEET**  
**(General Business Case)**  
For the Month Ended 8/31/2010 (covers Petition Date of 7/26/10 to 8/31/10)

**Assets**

		<u>From Schedules</u>	<u>Market Value</u>	
	<b>Current Assets</b>			Book Values on All Assets Listed
1	Cash and cash equivalents - unrestricted		\$2,167,492	
2	Cash and cash equivalents - restricted		\$0	Includes cash on hand less outstanding checks.
3	Accounts receivable (net)	A	\$4,356,039	
4	Inventory	B	\$5,915,302	
5	Prepaid expenses		\$2,172,439	
6	Professional retainers			
7	Other: <u>Goodwill/Artwork</u>		\$6,122,246	
8				
9	<b>Total Current Assets</b>		<u>\$20,733,517</u>	
	<b>Property and Equipment (Market Value)</b>			Book Values on All Assets Listed
10	Real property	C	\$0	
11	Machinery and equipment	D	\$2,782,315	
12	Furniture and fixtures	D	\$54,249	
13	Office equipment	D	\$98,893	
14	Leasehold improvements	D	\$102,698	
15	Vehicles	D	\$21,779	
16	Other:	D		
17		D		
18		D		
19		D		
20		D		
21	<b>Total Property and Equipment</b>		<u>\$3,059,934</u>	
	<b>Other Assets</b>			
22	Loans to shareholders			
23	Loans to affiliates			
24				
25				
26				
27				
28	<b>Total Other Assets</b>		<u>\$0</u>	
29	<b>Total Assets</b>		<u>\$23,793,452</u>	

**NOTE:**

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

## Liabilities and Equity (General Business Case)

### Liabilities From Schedules

### Post-Petition

### **Current Liabilities\***

30	Salaries and wages		\$112,358
31	Payroll taxes		\$2,678
32	Real and personal property taxes		\$34,121
33	Income taxes		
34	Sales taxes		\$139
35	Notes payable (short term)		
36	Accounts payable (trade) - exc. professional fees	A	\$505,539
37	Real property lease arrearage		
38	Personal property lease arrearage		
39	Accrued professional fees		
40	Current portion of long-term post-petition debt (due within 12 months)		
41	Other: _____		
42			
43			
44	<b>Total Current Liabilities</b>		<b>\$654,836</b>
45	<b>Long-Term Post-Petition Debt, Net of Current Portion</b>		
46	<b>Total Post-Petition Liabilities</b>		<b>\$654,836</b>
47	<b>Pre-Petition Liabilities (allowed amount)</b>		
48	Secured claims	F	\$11,575,103
49	Priority unsecured claims	F	\$0
50	General unsecured claims	F	\$7,445,293
51	<b>Total Pre-Petition Liabilities</b>		<b>\$19,020,396</b>
52	<b>Total Liabilities</b>		<b>\$19,675,232</b>
53	<b>Equity (Deficit)</b>		
54	Retained Earnings/(Deficit) at time of filing		(\$26,087,595)
55	Capital Stock		\$30,205,815
56	Additional paid-in capital		\$0
57	Cumulative profit/(loss) since filing of case		
58	Post-petition contributions/(distributions) or (draws)		
59	Market value adjustment		
60	<b>Total Equity (Deficit)</b>		<b>\$4,118,220</b>
61	<b>Total Liabilities and Equity (Deficit)</b>		<b>\$23,793,452</b>

\*Includes only accruals for normal course of business operations plus pre-paid petition invoices/payments for goods/services

**SCHEDULES TO THE BALANCE SHEET**  
**(General Business Case)**

**Schedule A**  
**Accounts Receivable and (Net) Payable**

**Receivables and Payables Agings**

0-30 Days  
 31-60 Days  
 61-90 Days  
 91+ Days  
 Total accounts receivable/payable  
 Allowance for doubtful accounts  
 Accounts receivable (net)

<b>Accounts Receivable</b>	<b>Accounts Payable</b>	<b>Past Due</b>
<b>[Pre and Post Petition]</b>	<b>[Post Petition]</b>	<b>Post Petition Debt</b>
\$3,771,722	\$505,539	
\$219,162	\$0	
\$395,154	\$0	
\$0	\$0	
<u>\$4,386,039</u>	<u>\$505,539</u>	
\$30,000	\$0	
<u>\$4,356,039</u>	<u>\$0</u>	

**Schedule B**  
**Inventory/Cost of Goods Sold**

**Types and Amount of Inventory(ies)**

**Inventory(ies)**  
**Balance at**  
**End of Month**

Retail/Restaurants -	
Product for resale	
Distribution -	
Products for resale	
Manufacturer -	
Raw Materials	\$3,785,289
Work-in-progress	\$2,130,013
Finished goods	
Other - Explain	
<b>TOTAL</b>	<b>\$5,915,302 *</b>

**Method of Inventory Control**

Do you have a functioning perpetual inventory system?

Yes  No

How often do you take a complete physical inventory?

Weekly   
 Monthly   
 Quarterly   
 Semi-annually   
 Annually

Date of last cycle count

Date of next cycle count

**Cost of Goods Sold**

**Inventory Beginning of Month**

Add -	
Net purchase	\$3,551,031
Direct labor	
Manufacturing overhead	
Freight in	
Other:	

**Less -**

Inventory End of Month	\$5,915,302
Shrinkage	\$0
Personal Use	

**Cost of Goods Sold**

**\$5,462,478**

**Inventory Valuation Methods**

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost	<input checked="" type="checkbox"/>
LIFO cost	<input type="checkbox"/>
Lower of cost or market	<input type="checkbox"/>
Retail method	<input type="checkbox"/>
Other	<input type="checkbox"/>
Explain	

Current Inventory is net of a one time inventory write down of \$1.2 million for obsolete inventory.

**Schedule C**  
**Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
None		
Total	<u>\$0</u>	<u>\$0</u>

**Schedule D**  
**Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment - See Attached	<u>\$2,782,315</u>	<u>\$2,782,315</u>
Total	<u>\$2,782,315</u>	<u>\$2,782,315</u>
Furniture & Fixtures - See Attached	<u>\$54,249</u>	<u>\$54,249</u>
Total	<u>\$54,249</u>	<u>\$54,249</u>
Office Equipment - See Attached	<u>\$98,893</u>	<u>\$98,893</u>
Total	<u>\$98,893</u>	<u>\$98,893</u>
Leasehold Improvements - See Attached	<u>\$102,698</u>	<u>\$102,698</u>
Total	<u>\$102,698</u>	<u>\$102,698</u>
Vehicles - See Attached	<u>\$21,779</u>	<u>\$21,779</u>
Total	<u>\$21,779</u>	<u>\$21,779</u>

**Schedule E**  
**Aging of Post-Petition Taxes**  
**(As of End of the Current Reporting Period)**

	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91+ Days</b>	<b>Total</b>
<b>axes Payable</b>					
<b>federal</b>					
Income Tax Withholding	\$0	\$0	\$0	\$0	\$0
FICA - Employee	\$0	\$0	\$0	\$0	\$0
FICA - Employer	\$0	\$0	\$0	\$0	\$0
Unemployment (FUTA)	\$0	\$0	\$0	\$0	\$0
Income	\$0	\$0	\$0	\$0	\$0
Other (Attach List)	\$0	\$0	\$0	\$0	\$0
<b>total Federal Taxes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>ate and Local</b>					
Income Tax Withholding	\$0	\$0	\$0	\$0	\$0
Unemployment (UT)	\$0	\$0	\$0	\$0	\$0
Disability Insurance (DI)	\$0	\$0	\$0	\$0	\$0
Empl. Training Tax (ETT)	\$0	\$0	\$0	\$0	\$0
Sales	\$0	\$0	\$0	\$0	\$0
Excise	\$0	\$0	\$0	\$0	\$0
Real property	\$1,053	\$0	\$0	\$0	\$1,053
Personal property	\$0	\$0	\$0	\$0	\$0
Income	\$0	\$0	\$0	\$0	\$0
Other (Attach List)	\$0	\$0	\$0	\$0	\$0
<b>total State &amp; Local Taxes</b>	<b>\$1,053</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,053</b>
<b>total Taxes</b>	<b>\$1,053</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,053</b>

**Schedule F**  
**Pre-Petition Liabilities**

<b>st Total Claims For Each Classification -</b>	<b>Claimed</b>	<b>Allowed</b>
	<b>Amount</b>	<b>Amount (b)</b>
Secured claims (a)	\$11,575,103	\$11,575,103
Priority claims other than taxes	\$0	\$0
Priority tax claims	\$0	\$0
General unsecured claims*	\$7,445,293	\$7,445,293

(a) List total amount of claims even if under secured.  
 (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

**Schedule G**  
**Rental Income Information**  
**Not applicable to General Business Cases**

**Schedule H**  
**Recapitulation of Funds Held at End of Month**

	<b>Account 1</b>	<b>Account 2</b>	<b>Account 3</b>	<b>Account 4</b>
unk	Wells Fargo	Wells Fargo	Key Bank	Wells Fargo
ccount Type	DIP-General	DIP-Payroll	General	DIP-General
ccount No.	7555361687/7555	65551311911/655	129681004443	6555132015
ccount Purpose	Operations	Payroll	Operations	Local
alance, End of Month	\$2,236,421	\$200,810	\$10,654	\$100
total Funds on Hand for all Accounts	<b>\$2,447,985</b>			

attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.  
 Includes claims asserted as reclamation claims.

# STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

## Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 8/31/2010 (covers Petition Date of 7/26/10 to 8/31/10)

		Actual Current Month	Cumulative (Case to Date)
<b>Cash Receipts</b>			
1 Rent/Leases Collected			
2 Cash Received from Sales		\$8,449,124	<u>\$8,449,124</u>
3 Interest Received			
4 Borrowings			
5 Funds from Shareholders, Partners, or Other Insiders			
6 Capital Contributions			
7			
8			
9			
10			
11			
<b>12 Total Cash Receipts</b>		<u>\$8,449,124</u>	<u>\$8,449,124</u>
<b>Cash Disbursements</b>			
13 Payments for Inventory		3,551,031	<u>3,551,031</u>
14 Selling		961	<u>961</u>
15 Administrative		30,400	<u>30,400</u>
16 Capital Expenditures			
17 Principal Payments on Debt			
18 Interest Paid		72,532	<u>72,532</u>
19 Rent/Lease:			
20      Personal Property		7,800	<u>7,800</u>
21      Real Property		41,915	<u>41,915</u>
22 Amount Paid to Owner(s)/Officer(s)		59,308	<u>59,308</u>
23      Salaries			
24      Draws			
25      Commissions/Royalties			
26      Expense Reimbursements		1,124	<u>1,124</u>
27      Other			
28 Salaries/Commissions (less employee withholding)		1,186,528	<u>1,186,528</u>
29 Management Fees			
30 Taxes:			
31      Employee Withholding			
32      Employer Payroll Taxes			
33      Real Property Taxes		48,078	<u>48,078</u>
34      Other Taxes			
35 Other Cash Outflows:			
36      Utilities		117,556	<u>117,556</u>
37      Repair and Maintenance		201,663	<u>201,663</u>
38      Transportation		536,165	<u>536,165</u>
39      Cold Storage		146,079	<u>146,079</u>
40			
<b>41 Total Cash Disbursements:</b>		<u>\$6,001,140</u>	<u>\$6,001,140</u>
<b>42 Net Increase (Decrease) in Cash</b>		<u>\$2,447,985</u>	<u>\$2,447,985</u>
<b>43 Cash Balance, Beginning of Period</b>		<u>\$0</u>	<u>\$0</u>
<b>44 Cash Balance, End of Period</b>		<u>\$2,447,985</u>	<u>\$2,447,985</u>

**STATEMENT OF CASH FLOWS**  
**(Optional) Increase/(Decrease) in Cash and Cash Equivalents**  
**For the Month Ended 8/31/2010 (covers Petition Date of 7/26/10 to 8/31/10)**

	<b>Actual</b>	<b>Cumulative</b>
	<b>Current Month</b>	<b>(Case to Date)</b>
<b>Cash Flows From Operating Activities</b>		
Cash Received from Sales	\$8,449,124	\$8,449,124
Rent/Leases Collected		
Interest Received		
Cash Paid to Suppliers	3,551,031	3,551,031
Cash Paid for Selling Expenses	961	961
Cash Paid for Administrative Expenses	23,309	23,309
Cash Paid for Rents/Leases:		
Personal Property	7,800	7,800
Real Property	41,915	41,915
Cash Paid for Interest	72,532	72,532
Cash Paid for Net Payroll and Benefits	1,186,528	1,186,528
Cash Paid to Owner(s)/Officer(s)		
Salaries	59,308	59,308
Draws		
Commissions/Royalties		
Expense Reimbursements	1,124	1,124
Other		
Cash Paid for Taxes Paid/Deposited to Tax Acct.		
Employer Payroll Tax		
Employee Withholdings		
Real Property Taxes		
Other Taxes	48,078	48,078
Cash Paid for General Expenses		
Utilities	117,556	117,556
Repair and Maintenance	201,663	201,663
Transportation	536,165	536,165
Cold Storage	146,079	146,079
<b>Net Cash Provided (Used) by Operating Activities before Reorganization Items</b>	<b>\$2,455,076</b>	<b>\$2,455,076</b>
<b>Cash Flows From Reorganization Items</b>		
Interest Received on Cash Accumulated Due to Chp 11 Case		
Professional Fees Paid for Services in Connection with Chp 11 Case		
U.S. Trustee Quarterly Fees	\$7,091	\$7,091
<b>Net Cash Provided (Used) by Reorganization Items</b>	<b>(\$7,091)</b>	<b>(\$7,091)</b>
<b>Net Cash Provided (Used) for Operating Activities and Reorganization Items</b>	<b>\$2,447,985</b>	<b>\$2,447,985</b>
<b>Cash Flows From Investing Activities</b>		
Capital Expenditures		
Proceeds from Sales of Capital Goods due to Chp 11 Case		
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>\$0</b>	<b>\$0</b>
<b>Cash Flows From Financing Activities</b>		
Net Borrowings (Except Insiders)		
Net Borrowings from Shareholders, Partners, or Other Insiders		
Capital Contributions		
Principal Payments		
<b>Net Cash Provided (Used) by Financing Activities</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$2,447,985</b>	<b>\$2,447,985</b>
<b>Cash and Cash Equivalents at Beginning of Month</b>	<b>\$0</b>	<b>\$0</b>
<b>Cash and Cash Equivalents at End of Month</b>	<b>\$2,447,985</b>	<b>\$2,447,985</b>

**Monthly Operating Report-  
Summary- Payments Made**

8. Payments made on Pre-petition Debt

**Cold Storage Cure Payments**

	<u>Check #</u>	<u>Check Date</u>	<u>Vendor</u>	<u>Amount</u>	<u>Date Cleared</u>	<u>Category</u>
	007518	8/12/10	3 Rivers	\$ 13.75	8/20/2010	Warehouse Lease Cure
	316017	8/12/10	Americold Logistics LLC	\$ 27,202.26	8/16/2010	Warehouse Lease Cure
	021523	8/12/10	Hanson Logistics	\$ 1,072.92	8/16/2010	Warehouse Lease Cure
	007519	8/12/10	SnoTemp Cold Storage	\$ 2,531.65	8/17/2010	Warehouse Lease Cure
	021524	8/12/10	US Cold Storage, Inc.	\$ 60,555.92	8/18/2010	Warehouse Lease Cure

**Payroll Totals - post petition**

	<u>Location</u>	<u>Date Paid</u>	<u>Period Ending</u>	<u>Amount</u>	<u>Taxes</u>	<u>Total</u>
	DLX	8/6/10	7/31/2010	\$ 43,144.20	\$ 159,352.77	
	MGI	8/5/10	7/31/2010	\$ 22,564.30	\$ 72,386.18	
	SAC	8/4/10	7/31/2010	\$ 85,059.87	\$ 35,188.88	\$ 120,248.75

9. Payments made to Insiders, Shareholders & Officers

	<u>Check #</u>	<u>Check Date</u>	<u>Vendor</u>	<u>Amount</u>	<u>Date Cleared</u>	<u>Category</u>
	007513	8/12/10	Jennifer Loving	\$ 534.42	8/16/2010	Travel
	Wire	8/2/10	Jennifer Loving	\$ 148.35	8/2/2010	Travel
	Wire	8/3/10	Jennifer Loving	\$ 441.25	8/3/2010	Travel
	007555	8/27/10	Nathan Bell	\$ 5,619.44	9/13/2010	Travel
	007565	8/31/10	JOHN D. WHETTEN	\$ 750.00	9/7/2010	Board Fees & Expenses
	007564	8/31/10	JOHN JEX	\$ 1,000.00	9/8/2010	Board Fees & Expenses
	007567	8/31/10	Mike Newell	\$ 750.00	9/9/2010	Board Fees & Expenses
	ACH	8/5/2010	Jen Loving	\$ 5,576.92	8/5/2010	Regular Payroll
	ACH	8/19/2010	Jen Loving	\$ 5,576.92	8/14/2010	Regular Payroll
	ACH	9/2/2010	Jen Loving	\$ 5,576.92	8/28/2010	Regular Payroll
	ACH	8/5/2010	Nathan Bell	\$ 13,846.16	7/31/2010	Regular Payroll
	ACH	8/19/2010	Nathan Bell	\$ 13,846.16	8/14/2010	Regular Payroll
	ACH	9/2/2010	Nathan Bell	\$ 13,846.16	8/28/2010	Regular Payroll
	ACH	8/5/2010	Vern Christensen	\$ 346.15	7/31/2010	Regular Payroll
	ACH	8/19/2010	Vern Christensen	\$ 346.15	8/14/2010	Regular Payroll
	ACH	9/2/2010	Vern Christensen	\$ 346.15	8/28/2010	Regular Payroll

**Monthly Operating Report-  
Summary- Payments Made**

**8. Payments made on Pre-petition Debt**

<b>Cold Storage Cure Payments</b>		
<u>Check #</u>	<u>Check Date</u>	<u>Vendor</u>
007518	8/12/10	3 Rivers
316017	8/12/10	Americold Logistics LLC
021523	8/12/10	Hanson Logistics
007519	8/12/10	SnoTemp Cold Storage
021524	8/12/10	US Cold Storage, Inc.

**Payroll Totals - post petition**

<u>Location</u>	<u>Date Paid</u>	<u>Period Ending</u>	<u>Amount</u>	<u>Taxes</u>	<u>Total</u>
DLX	8/6/10	7/31/2010	\$ 49,821.88	\$ 22,564.30	\$ 159,352.77
MGI	8/5/10	7/31/2010	\$ 85,059.87	\$ 35,188.88	\$ 72,386.18
SAC	8/4/10	7/31/2010	\$	\$	\$ 120,248.75

**9. Payments made to Insiders, Shareholders & Officers**

<u>Check #</u>	<u>Check Date</u>	<u>Vendor</u>	<u>Amount</u>	<u>Date Cleared</u>	<u>Category</u>
007513	8/12/10	Jennifer Loving	\$ 534.42	8/16/2010	Travel
Wire	8/2/10	Jennifer Loving	\$ 148.35	8/2/2010	Travel
Wire	8/3/10	Jennifer Loving	\$ 441.25	8/3/2010	Travel
007555	8/27/10	Nathan Bell	\$ 5,619.44	9/13/2010	Travel
007565	8/31/10	JOHN D. WHETTEN	\$ 750.00	9/7/2010	Board Fees & Expenses
007564	8/31/10	JOHN JEX	\$ 1,000.00	9/8/2010	Board Fees & Expenses
007567	8/31/10	Mike Newell	\$ 750.00	9/9/2010	Board Fees & Expenses
ACH	8/5/2010	Jen Loving	\$ 5,576.92	8/5/2010	Regular Payroll
ACH	8/19/2010	Jen Loving	\$ 5,576.92	8/14/2010	Regular Payroll
ACH	9/2/2010	Jen Loving	\$ 5,576.92	8/28/2010	Regular Payroll
ACH	8/5/2010	Nathan Bell	\$ 13,846.16	7/31/2010	Regular Payroll
ACH	8/19/2010	Nathan Bell	\$ 13,846.16	8/14/2010	Regular Payroll
ACH	9/2/2010	Nathan Bell	\$ 13,846.16	8/28/2010	Regular Payroll
ACH	8/5/2010	Vern Christensen	\$ 346.15	7/31/2010	Regular Payroll
ACH	8/19/2010	Vern Christensen	\$ 346.15	8/14/2010	Regular Payroll
ACH	9/2/2010	Vern Christensen	\$ 346.15	8/28/2010	Regular Payroll

Current Month			Explanation:
Actual	Forecast	Variance	
\$8,438,271	\$7,702,504	\$735,767	9.55% 1 Gross Sales
\$0		\$0	2 Less Sales Returns & Allowances
\$8,438,271	\$7,702,504	\$735,767	9.55% 3 Net Sales
\$5,462,478 *	\$3,532,270	\$1,909,208	53.73% 4 Less Cost of Goods Sold
\$2,975,793	\$4,139,234	(\$1,173,441)	-28.28% 5 Gross Profit
\$0		\$0	6 Interest
\$0		\$0	7 Other Income: _____
		\$0	8 _____
<b>\$2,975,793</b>	<b>\$4,145,234</b>	<b>(\$1,173,441)</b>	<b>-28.28%</b> 9 _____
			<b>10 Total Revenues</b>
\$60,432	\$6,000	\$54,432	907.20% 11 Compensation to Owner(s)/Officer(s)
\$1,186,527	\$1,127,940	\$58,587	5.19% 12 Salaries
\$0		\$0	13 Commissions
		\$0	14 Contract Labor
\$7,800	\$0	\$7,800	15 Rent/Lease:
\$41,915	\$101,842	(\$59,927)	-58.84% 16 Real Property
\$0	\$56,918	(\$36,918)	-100.00% 17 Insurance
\$0		\$0	18 Management Fees
\$0	\$44,914	(\$44,914)	-100.00% 19 Depreciation
\$0		\$0	20 Taxes:
\$48,078	\$12,000	\$36,078	300.65% 21 Real Property Taxes
\$0		\$0	22 Other Taxes
\$961	\$162,877	(\$161,916)	-99.41% 23 Other Selling
\$23,309	\$44,579	(\$21,270)	24 Other Administrative
\$72,532	\$72,531	\$1	0.00% 25 Interest
\$117,556	\$157,013	(\$39,457)	-23.13% 26 Other Expenses: <u>Utilities</u>
\$201,663	\$59,057	\$142,606	241.47% 27 <u>Repairs &amp; Maint.</u>
\$516,165	\$452,874	\$83,291	18.39% 28 <u>Transportation</u>
\$146,079	\$300,337	(\$154,258)	-51.36% 29 <u>Cold Storage</u>
		\$0	30 _____
		\$0	31 _____
		\$0	32 _____
		\$0	33 _____
<b>\$2,443,017 *</b>	<b>\$2,598,882</b>	<b>(\$155,865)</b>	<b>34</b>
			<b>-6.00%</b> 35 <b>Total Expenses</b>
<b>\$532,776</b>	<b>\$1,550,352</b>	<b>(\$1,017,576)</b>	<b>-65.64%</b> 36 <b>Subtotal</b>
<b>\$0</b>	<b>\$50,000</b>	<b>(\$50,000)</b>	<b>-100.00%</b> 37 <b>Reorganization Items:</b>
			38 Provisions for Rejected Executory Contracts
			39 Interest Earned on Accumulated Cash from
			Resulting Chp 11 Case
		\$0	40 Gain or (Loss) from Sale of Equipment
		\$0	41 U.S. Trustee Quarterly Fees
		\$0	42 Filing Fees/Mailing
	\$7,091	\$15,117	-53.09% 43 <b>Total Reorganization Items</b>
	\$7,091	\$65,117	-89.11% 44 <b>Net Profit (Loss) Before Federal &amp; State Taxes</b>
	\$539,867	\$1,615,469	(\$1,075,602)
		\$0	45 Federal & State Income Taxes
			46 <b>Net Profit (Loss)</b>
			<b>\$539,867</b> <b>\$1,615,469</b> <b>(\$1,075,602)</b> <b>-66.58%</b>

Fixed Assets- 8/31/10

Acquisition	Date	Location	Description	Current Value
	8/1/1986	MGI	TELEPHONE SYSTEM	\$ 43,132.00
	11/1/1986	MGI	MAS 90 UPGRADE TO 4.4	\$ 24,694.00
	12/1/1986	MGI	Server for MAS	\$ 16,256.00
	2/1/1987	MGI	Vegas Office Furniture	\$ 15,525.00
	5/1/1987	MGI	MAS 90	\$ 11,232.19
	5/1/1987	MGI	EDI/ebridge Setup	\$ 6,608.00
	5/1/1987	MGI	ADP Report Writer	\$ 5,488.00
	5/1/1987	MGI	Servers at MGI	\$ 5,312.50
	7/1/1987	MGI	MAS90 Upgrade	\$ 2,752.70
	9/1/1987	MGI	Office Furniture	\$ 2,363.57
	9/1/1987	MGI	Computer	\$ 2,079.00
	1/1/1988	MGI	MARKETING LAPTOP	\$ 1,070.00
	1/1/1988	MGI	AP DELL COMPUTER	\$ 951.00
	1/1/1988	MGI	Refrigerator	\$ 911.50
	7/1/1988	MGI	EDI - SPS/DIS ebridge	\$ 861.00
	11/1/1988	MGI	MAS90 Work Order Module	\$ 680.00
	1/1/1989	MGI	Office cubicles (from MIC 8/31/07)	\$ 331.00
	2/1/1989	MGI	3 LCD Computer Monitors (from MIC 8/31/07)	\$ 291.00
	2/1/1989	MGI	Down Payment on Dell Term Server (from MIC 8/31/07)	\$ 206.00
	3/1/1989	MGI	Computer (from MIC 8/31/07)	\$ 123.50
	1/1/1991	MGI	Rebuild Parts	\$ (600.00)
	5/1/1989	MGI	2 Printers (from MIC 8/31/07)	\$ -
	8/1/1989	MGI	Network Upgrade (from MIC 8/31/07)	\$ -
	2/1/1990	MGI	Upgrade server (from MIC 8/31/07)	\$ -
	2/1/1990	MGI	Ebridge Application for Mas90 (from MIC 8/31/07)	\$ -
	2/1/1990	MGI	MAS90 5 User License (from MIC 8/31/07)	\$ -
	3/1/1990	MGI	Ebridge EDI Software (from MIC 8/31/07)	\$ -
	4/1/1990	MGI	Phone System	\$ -
	11/1/1990	MGI	Laptop	\$ -
	11/1/1990	MGI	Software	\$ -
	12/1/1990	MGI	Local Server	\$ -
	12/1/1990	MGI	Laptop	\$ -
	7/1/1997	Sacto	New Server/Laptop	\$ 1,779.85
	5/1/1998	Sacto	COMPUTERS	\$ 1,532.00
	11/1/1999	Sacto	COMPUTER- MATTERHORN	\$ 182.73
	3/1/1995	Sacto	Battery for Forklift	\$ 5,735.50
	3/1/1995	Sacto	PALLET JACKS	\$ 5,463.50
		Sacto	Rebuild- Ammonia System	\$ 338,499.28
	2/1/1991	Sacto	Chiller	\$ 253,059.50

Sacto	Freon System	\$ 180,285.27
5/1/1991 Sacto	PROCESSING TANKS & PIPES	\$ 127,747.87
6/1/1991 Sacto	FLOWPAC CARTONER	\$ 109,256.85
1/1/1992 Sacto	Jr. Molds 1/75 oz & Mold Table for Rollo 27 Bar Machine	\$ 105,327.20
1/1/1992 Sacto	CONE EQUIPMENT INSTALL	\$ 102,614.21
2/1/1992 Sacto	CONE TUNNEL	\$ 97,621.98
2/1/1992 Sacto	FREEZERS	\$ 94,601.24
3/1/1992 Sacto	CASE LOADER	\$ 88,303.50
3/1/1992 Sacto	ANDERSON 8 WIDE WRAPPER	\$ 73,464.88
3/1/1992 Sacto	Ammonia System General Rebuilds	\$ 65,950.00
4/1/1992 Sacto	ESKIMO PIE PROJECT	\$ 61,567.74
4/1/1992 Sacto	PH BALANCING TANK	\$ 56,008.18
4/1/1992 Sacto	PROCESSING TANKS & PIPES	\$ 53,224.53
5/1/1992 Sacto	20 wide gram machine, ice bar molds	\$ 40,808.00
5/1/1992 Sacto	COMPRESSORS	\$ 38,833.43
6/1/1992 Sacto	REFRIGERATION	\$ 33,859.72
8/1/1992 Sacto	Rebuild Amonia System	\$ 32,951.20
9/1/1992 Sacto	CIP SYSTEMS	\$ 32,479.86
10/1/1992 Sacto	Sealer	\$ 30,731.50
10/1/1992 Sacto	Ammonia Compressor Rebuild	\$ 28,773.00
11/1/1992 Sacto	HOYER FREEZER	\$ 27,171.38
12/1/1992 Sacto	Brine chiller Insulation	\$ 25,620.00
12/1/1992 Sacto	3000 IC MIX SILO	\$ 22,307.17
1/1/1993 Sacto	MOLD TABLE ROLLO 27	\$ 21,627.41
1/1/1993 Sacto	Bagger Kwik Lok	\$ 20,889.50
3/1/1993 Sacto	Vitaline Brine System	\$ 20,571.00
3/1/1993 Sacto	Ammonia Compressor	\$ 16,811.50
3/1/1993 Sacto	Compressor Rebuild	\$ 16,525.50
Sacto	Office AC Unit	\$ 13,595.00
6/1/1993 Sacto	MOLD TABLE - ROLLO 27	\$ 11,950.00
6/1/1993 Sacto	CODE DATER	\$ 11,686.74
8/1/1993 Sacto	Metal Detectors	\$ 11,408.00
11/1/1993 Sacto	Shrink Wrap Tunner	\$ 9,828.28
1/1/1994 Sacto	General Rebuilds - Rebuild Hoyer Rollo 27 Machine	\$ 9,791.00
2/1/1994 Sacto	Freezer Door Replacement	\$ 9,564.00
2/1/1994 Sacto	Wrapper	\$ 9,539.50
3/1/1994 Sacto	METAL DETECTOR	\$ 9,342.55
4/1/1994 Sacto	MP2 Computerized Maintenance System	\$ 8,807.00
4/1/1994 Sacto	Manifold	\$ 8,699.00
4/1/1994 Sacto	TRASH COMPACTOR	\$ 8,613.70
4/1/1994 Sacto	Pallet Cross Beams	\$ 8,163.00
5/1/1994 Sacto	Rebuild of Fuji wrappers	\$ 7,006.50
12/1/1994 Sacto	Label Machine	\$ 6,864.00

1/1/1995 Sacto	DMQ Pasteurizer (from MIC 8/31/07)	\$ 6,499.50
3/1/1995 Sacto	CHERRY BURRELL TANK	\$ 6,440.04
3/1/1995 Sacto	Metal Detector	\$ 6,044.50
4/1/1995 Sacto	Stationary Scales	\$ 5,156.00
5/1/1995 Sacto	HOT WATER SYSTEM	\$ 4,304.91
5/1/1995 Sacto	Conveyer (from MIC 8/31/07)	\$ 4,101.00
5/1/1995 Sacto	COMPRESSOR	\$ 3,195.50
5/1/1995 Sacto	BULK TANKS	\$ 3,013.04
8/1/1995 Sacto	Vaccum Pump	\$ 2,965.50
8/1/1995 Sacto	Lab Sink	\$ 2,560.90
9/1/1995 Sacto	STAINLESS STELL MOLDS	\$ 2,542.46
9/1/1995 Sacto	Ammonia Refrig Engineering	\$ 2,500.00
10/1/1995 Sacto	DRYER	\$ 2,450.70
1/1/1996 Sacto	Box Taper (from MIC 8/31/07)	\$ 2,388.50
1/1/1996 Sacto	Pace Comm Phone System	\$ 2,388.50
7/1/1996 Sacto	Rollo Sealer Jaw Spares	\$ 2,287.50
8/1/1996 Sacto	Beater Bar for 3D92	\$ 1,900.00
12/1/1996 Sacto	Harris Davis Auction Items	\$ 1,856.00
12/1/1996 Sacto	EMBOSS CODER	\$ 1,783.59
8/1/1997 Sacto	Sanitary Static Mixer	\$ 1,733.50
9/1/1997 Sacto	BIOCHEMISTRY ANALYZER	\$ 1,721.20
2/1/1998 Sacto	Hoyer Keyboard	\$ 1,655.50
6/1/1998 Sacto	PALLET RACKING	\$ 978.89
10/1/1998 Sacto	Ammonia rerig eng drawings	\$ 962.50
9/1/1999 Sacto	Ammonia Engineering	\$ 892.50
9/1/1999 Sacto	Computer sofware	\$ 771.50
10/1/1999 Sacto	Lab Supplies	\$ 484.00
11/1/1999 Sacto	Boiler Pump (from MIC 8/31/07)	\$ 119.50
11/1/1999 Sacto	CISCO PIX FIREWALL	\$ 58.66
11/1/1999 Sacto	SCALE	\$ 46.27
11/1/1999 Sacto	AMMONIA ROTARY COMPRESSOR	\$ -
11/1/1999 Sacto	VOGT FREEZER	\$ -
11/1/1999 Sacto	FREEZER PIPE WORK	\$ -
11/15/1999 Sacto	FREEZER ELECTRICAL WORK	\$ -
1/1/2000 Sacto	BLADES FOR FREEZER	\$ -
2/1/2000 Sacto	BRINE CHILLING SYSTEM	\$ -
2/1/2000 Sacto	GLVER - MODEL H20	\$ -
6/1/2000 Sacto	WRAPPER	\$ -
7/1/2000 Sacto	FORKLIFT- PRIME MOVER	\$ -
7/1/2000 Sacto	BATTERY FOR FORKLIFT	\$ -
7/1/2000 Sacto	BATTERY CHARGER	\$ -
7/1/2000 Sacto	ICE CREAM CONVEYOR	\$ -
7/1/2000 Sacto	BOND-O-MATIC	\$ -

7/1/2000 Sacto	FUJI FOREMOST WRAPPER	\$	-
7/1/2000 Sacto	OIL SEPARATORS	\$	-
7/1/2000 Sacto	MOLD STRIPS	\$	-
7/1/2000 Sacto	AMMONIA COMPRESSOR	\$	-
8/1/2000 Sacto	SPEED CONTROL COMPRESSOR	\$	-
8/1/2000 Sacto	150 GALLON MIX TANK	\$	-
9/1/2000 Sacto	VALVES FOR MIX TANK	\$	-
10/1/2000 Sacto	AMMONIA RECEIVER	\$	-
11/1/2000 Sacto	KRACK REFRIDGERATION COILS	\$	-
12/1/2000 Sacto	FMC MOLDS	\$	-
12/1/2000 Sacto	CONDENSOR AND COILS	\$	-
12/12/2000 Sacto	COMPRESSOR & ATTACHMENTS	\$	-
1/1/2001 Sacto	BAG MACHINE	\$	-
1/25/2001 Sacto	CABINET #2042	\$	-
1/26/2001 Sacto	FULLER COMPRESSOR	\$	-
2/23/2001 Sacto	FREIGHT FULLER COMPRESSOR	\$	-
3/1/2001 Sacto	POS. ROTARY PUMP	\$	-
3/1/2001 Sacto	3.5 TON HEAT PUMP	\$	-
4/1/2001 Sacto	15 TON HEAT PUMP	\$	-
4/1/2001 Sacto	EVAP. CONDENSER	\$	-
4/1/2001 Sacto	HOPPERS CARTON MACHINE	\$	-
4/1/2001 Sacto	TWIN MOLDS	\$	-
4/1/2001 Sacto	STICK INSERTER-GROUP II	\$	-
5/1/2001 Sacto	ELECTRON 7 SCALE	\$	-
6/1/2001 Sacto	ELECTRIC PALLET TRUCK	\$	-
6/1/2001 Sacto	STICK INSERTER	\$	-
7/1/2001 Sacto	2-1/2 OZ. MOLDS	\$	-
8/1/2001 Sacto	1800 AMP C AND D CHARGER	\$	-
8/1/2001 Sacto	3 OZ MOLDS	\$	-
9/1/2001 Sacto	AIR DRYER	\$	-
9/1/2001 Sacto	2 - 1/2 OZ MOLDS	\$	-
10/21/2001 Sacto	ELECTRIC PALLET TRUCK	\$	-
11/1/2001 Sacto	3-1/2 OZ MOLDS	\$	-
11/1/2001 Sacto	2-1/2 OZ FLAT MOLDS	\$	-
1/23/2002 Sacto	GLUING GUNS	\$	-
3/1/2002 Sacto	AIR COMPRESSOR	\$	-
3/1/2002 Sacto	BRINE LINES PROJECT	\$	-
3/1/2002 Sacto	NH3 LIQUID PUMP	\$	-
3/15/2002 Sacto	ICE CREAM SLICE MACHINE	\$	-
4/1/2002 Sacto	UPDATE VITALINE #2	\$	-
5/2/2002 Sacto	STAINLESS STEEL COVER FOR	\$	-
5/2/2002 Sacto	3-1/2 OZ MOLDS	\$	-
5/6/2002 Sacto	ANDERSON WRAPPER REBUILD	\$	-

5/22/2002 Sacto	BRINE CHILLER - SUPPORT	\$	-
6/6/2002 Sacto	OVERHAUL AMMONIA	\$	-
6/24/2002 Sacto	2-1/2 OZFLUTED	\$	-
7/1/2002 Sacto	HEAT EXHANGER FOR #4	\$	-
8/1/2002 Sacto	YORK 8 CYLINDER	\$	-
8/1/2002 Sacto	IBM PS2 MOD 30 PC	\$	-
8/16/2002 Sacto	OIL SEPARATOR	\$	-
8/26/2002 Sacto	EXTRACTOR BAR FOR VITA#1	\$	-
8/31/2002 Sacto	LATERAL THREE DRAWER FILE	\$	-
9/1/2002 Sacto	OIL SEPARATORS	\$	-
9/16/2002 Sacto	VITALINE EXTRACTOR BARS	\$	-
9/30/2002 Sacto	MOTORIZE PALLET JACK	\$	-
11/1/2002 Sacto	2 DRAWER FILE CABINET	\$	-
12/9/2002 Sacto	BENCH SCALE	\$	-
12/12/2002 Sacto	CPS PRINTER	\$	-
1/1/2003 Sacto	CPS PRINTER	\$	-
1/1/2003 Sacto	FREEZER CONVEYORS-NVLTY	\$	-
1/3/2003 Sacto	YALE ELECT. PALLET JACK	\$	-
1/3/2003 Sacto	HYDRAULIC DUMPSTER	\$	-
1/7/2003 Sacto	GUN/TANK PROJECT	\$	-
1/28/2003 Sacto	486 COMPUTER	\$	-
1/28/2003 Sacto	KWIK LOK	\$	-
2/17/2003 Sacto	FOOT BATH	\$	-
3/1/2003 Sacto	GRACO S/S PUMP	\$	-
4/1/2003 Sacto	INK JET PRINTER	\$	-
4/1/2003 Sacto	UPDATES ON THE VITALINES	\$	-
4/6/2003 Sacto	YALE ELECT PALLET TRUCK	\$	-
5/1/2003 Sacto	TUB & POPSICLE CARTS	\$	-
6/30/2003 Sacto	VITALINE 1&2 MODIFICATION	\$	-
7/1/2003 Sacto	HOPPER	\$	-
7/1/2003 Sacto	ROCKER POP MOLDS	\$	-
8/1/2003 Sacto	COOLING TOWER	\$	-
10/30/2003 Sacto	ROLLER CONVEYOR	\$	-
10/31/2003 Sacto	1500 GALLON PLASTIC TANK	\$	-
1/1/2004 Sacto	HARDENING ROOM- RERACK	\$	-
2/1/2004 Sacto	METAL DETECTOR	\$	-
2/1/2004 Sacto	HYSTER - N40 FR	\$	-
4/1/2004 Sacto	WAUKESHA PURITI CENT PUMP	\$	-
4/1/2004 Sacto	PLASMA CUTTER	\$	-
5/1/2004 Sacto	BLACKMER PUMP BODY	\$	-
5/9/2004 Sacto	KIWANI BOILER	\$	-
6/1/2004 Sacto	24 LB SCALE	\$	-
6/1/2004 Sacto	PRESTO LIFT FORKLIFT	\$	-

6/1/2004 Sacto	POLYCAL 4000 GL PLAS TANK	\$ -
6/30/2004 Sacto	SEWER SAMPLER	\$ -
10/1/2004 Sacto	COP TANK	\$ -
10/1/2004 Sacto	JORDAN STEAM REGULATOR	\$ -
1/1/2005 Sacto	3M TAPE MACHINE	\$ -
1/1/2005 Sacto	HP FAX MACHINE	\$ -
1/1/2005 Sacto	HOYER ROLLO - 27	\$ -
1/1/2005 Sacto	HOYER 3 BARREL FREEZER	\$ -
1/1/2005 Sacto	24# SCALE	\$ -
1/1/2005 Sacto	MICROJET INK PRINTER	\$ -
1/1/2005 Sacto	PAYROLL/HUMAN RESOURCE PC	\$ -
1/1/2005 Sacto	CONTURN LAP TOP COMPUTER	\$ -
1/1/2005 Sacto	MODEM 19.2	\$ -
1/1/2005 Sacto	IBM WORKSTATION	\$ -
1/1/2005 Sacto	COPIER-XEROX	\$ -
1/1/2005 Sacto	HOYER FOLO-ADD. COSTS	\$ -
1/1/2005 Sacto	ULTRA TAPER W/CODER	\$ -
1/1/2005 Sacto	YALE MTR2D PALLET JACK	\$ -
1/1/2005 Sacto	18" FLOOR POLISHER	\$ -
1/1/2005 Sacto	"SLOW DOWN" KIT	\$ -
1/1/2005 Sacto	PACKARD BELL / PC	\$ -
1/1/2005 Sacto	BAG CHUTE	\$ -
1/1/2005 Sacto	VOICE MAIL SYSTEM	\$ -
1/1/2005 Sacto	BIOTRADE MACHINE	\$ -
1/1/2005 Sacto	ATLASCOPECO AIR COMPRESSOR	\$ -
1/1/2005 Sacto	COMPUTER	\$ -
1/1/2005 Sacto	Wulftec Pallet Wrapper (From MIC on 8/31/07)	\$ -
1/28/2005 Sacto	Metal Detector (From MIC on 8/31/07)	\$ -
2/28/2005 Sacto	#44 2000 FORD TAURUS	\$ -
3/1/2005 Sacto	Boiler Pump (from MIC 8/31/07)	\$ -
3/1/2005 Sacto	Bench Scale (from MIC 8/31/07)	\$ -
8/1/2009 Salem	000074 - Dell Inspiron 8600 Laptop Computer	\$ 84.50
2/1/2009 Salem	000080-81-82 Office Workcenters (3)	\$ 572.00
10/1/2008 Salem	Planning Lap Top	\$ 1,073.00
10/1/2008 Salem	00056 - Logix Controller	\$ 1,066.50
10/31/2008 Salem	Admin Computer	\$ 986.00
12/31/2008 Salem	Lap Top ( Plant Manager )	\$ 828.00
7/30/2008 Salem	Server Bridge - Wells Fargo	\$ 1,292.66
5/1/2008 Salem	2 Dell Computers for Receiving	\$ 1,578.08
4/1/2008 Salem	Admin Computer	\$ 2,214.00
8/7/2006 Salem	Dell Server	\$ 5,533.50
4/1/2005 Salem	Truck Engine Rebuild	\$ 32,761.50
11/30/2005 Salem	000093-1999 International Tractor #28	\$ 11,739.50

1/2/2006 Salem	000090 1998 Utility Reefer Trailer	\$ 9,073.50
1/15/2006 Salem	[LKA000002] 000078-1999 International Tractor #27	\$ 7,121.56
3/16/2006 Salem	[LKA000001] 1983 F2275 INT'L TRACTOR #22	\$ 6,846.88
4/1/2007 Salem	Utility Trailer	\$ 3,786.50
3/1/2005 Salem	Vitaline Junior Conversion	\$ 145,630.50
3/1/2005 Salem	Metal Detectors	\$ 82,941.35
3/1/2005 Salem	LPR Low Pressure RCV	\$ 64,059.78
3/1/2005 Salem	General Rebuild (V3 WRAPPER AND STICK MACHINE 1, 2, 3)	\$ 47,132.09
4/1/2005 Salem	00057 - Ammonia Compressor	\$ 42,394.50
4/30/2005 Salem	Tetra KF 1200SC Freezer Rebuild (from MIC 8/31/07)	\$ 32,424.00
5/1/2005 Salem	Cartoner (from MIC 8/31/07)	\$ 32,116.00
5/1/2005 Salem	Boiler	\$ 30,301.00
6/1/2005 Salem	Conversion 56 oz. filler	\$ 29,273.50
6/1/2005 Salem	Barrell Freezers	\$ 29,104.50
8/1/2005 Salem	6000 hr Rebuild on Barrel Freezers	\$ 25,085.50
8/1/2005 Salem	Doboy 500 Bag Sealer	\$ 24,255.00
8/1/2005 Salem	000011-New Production Room	\$ 21,259.27
8/1/2005 Salem	2 Box Tapers	\$ 15,280.00
8/31/2005 Salem	Stick Machine Rebuild	\$ 13,050.00
9/1/2005 Salem	Tractor Engine Replacement	\$ 12,537.00
9/11/2005 Salem	000075 - Sugar Tank	\$ 11,799.00
11/30/2005 Salem	Packaged Shrink Wrap Machine Rebuild	\$ 11,725.00
12/31/2005 Salem	Mix Silo (from MIC 8/31/07)	\$ 11,574.00
12/31/2005 Salem	Barrell Freezer Rebuild	\$ 11,118.00
12/31/2005 Salem	Vilter 12 Compressor (From MIC 8/31/07)	\$ 9,331.00
12/31/2005 Salem	6 Wide Vitaline Evacuator	\$ 9,286.00
1/2/2006 Salem	000096 Yoohoo Bag Sealer	\$ 9,060.50
1/6/2006 Salem	Chart Recorders for the Mix Pasterization	\$ 7,991.00
2/21/2006 Salem	Wrapper (from MIC 8/31/07)	\$ 6,917.00
5/15/2006 Salem	000072 - Metal Detector	\$ 6,819.00
5/31/2006 Salem	000098 Metal Detector	\$ 6,661.50
6/30/2006 Salem	000095 Rebuild 200Hp Ammonia Compressor Eng Rm	\$ 6,138.50
7/24/2006 Salem	Compressor rebuild (from MIC 8/31/07)	\$ 5,546.50
8/10/2006 Salem	Carton Foldinel Change Kit	\$ 5,367.60
8/31/2006 Salem	000079 Rebuild Ammonia Compressor	\$ 5,341.50
9/1/2006 Salem	000070 - Inline Blender	\$ 5,182.50
9/1/2006 Salem	Pump	\$ 5,121.00
9/1/2006 Salem	Freezer Burrell (From MIC 8/31/07)	\$ 4,985.50
9/11/2006 Salem	000071 - Rebuild Half Gallon Filler	\$ 4,790.50
9/29/2006 Salem	Multi-lane wrapper	\$ 4,486.00
10/27/2006 Salem	000088 Replace Drives for Vitaline #1	\$ 4,345.50
10/31/2006 Salem	00041 - Hoypack 50 Cartonizer - Vitaline	\$ 4,149.00
12/29/2006 Salem	000099 Ink Jet Coder for 5 Qt Pails	\$ 4,037.00

3/31/2007	Salem	KM 340 Freezer Barrels Upgrade Kit	\$	3,826.57
4/1/2007	Salem	Boardroom Cabinets	\$	3,369.50
4/30/2007	Salem	000068 - Repair Cream Tank	\$	3,296.00
6/30/2007	Salem	DMQ 1000 Fallon Mix Tank (from MIC 8/31/07)	\$	3,269.00
9/1/2007	Salem	LPR Low Pressure RCV	\$	3,090.50
11/30/2007	Salem	000073 - Upgrade Stick Machine	\$	2,880.50
1/7/2008	Salem	00065 - Fire Suppress System	\$	2,767.00
1/7/2008	Salem	00042 - KF1200XC Barrel Freezer	\$	2,618.50
2/1/2008	Salem	00043 - KF1200XC Barrel Freezer	\$	2,618.50
3/1/2008	Salem	000089 Replace Main Drive Wheel on Line 3	\$	2,616.50
3/1/2008	Salem	00066 - Back Freezers	\$	2,369.00
4/1/2008	Salem	00044 - HTST Installation	\$	1,868.00
4/1/2008	Salem	000097 Air Controller #1 Freezer Barrel	\$	1,741.50
4/1/2008	Salem	00040 - 6000 Gal Cream Tank	\$	1,701.00
4/29/2008	Salem	000076 - Bio-Hazard Locking System	\$	1,682.50
7/30/2008	Salem	Safeline metal detector (from MIC 8/31/07)	\$	1,316.00
9/1/2008	Salem	00058 - Chassis	\$	1,231.50
9/30/2008	Salem	DMQ Videojet Control Panel (from MIC 8/31/07)	\$	1,078.50
12/31/2008	Salem	Air compressor (from MIC 8/31/07)	\$	606.50
3/1/2009	Salem	CIP panel display (from MIC 8/31/07)	\$	557.50
3/1/2009	Salem	00054 - Back Freezers	\$	368.00
3/1/2009	Salem	00055 - 40HP Freak Drive North Cooling Tower	\$	319.00
3/1/2009	Salem	00052- Neptune Water Meter	\$	229.50
4/1/2009	Salem	000083-84-85 Lateral Files (3)	\$	228.00
4/1/2009	Salem	00045 - T-28 Plates Heat Exchanger	\$	165.50
5/1/2009	Salem	00053 - Ammonia Sniffer	\$	143.50
7/1/2009	Salem	00050 - Plate Hardner Repairs	\$	131.00
7/1/2009	Salem	Conveyor for Doboy Wrapper (from MIC 8/31/07)	\$	120.00
8/1/2009	Salem	000086-87 Storage Cabinets (2)	\$	99.50
8/1/2009	Salem	HTST heat controls (from MIC 8/31/07)	\$	67.00
9/1/2009	Salem	00051 - DWE UV-1 Bagging Machine	\$	58.00
9/1/2009	Salem	Doboy wrapper drive (from MIC 8/31/07)	\$	53.50
10/1/2009	Salem	CIP drive replacement (from MIC 8/31/07)	\$	47.00
10/1/2009	Salem	00039 - 6-Wide Main Drive Socket	\$	30.50
10/1/2009	Salem	Doby Wrapper Temp control (from MIC 8/31/07)	\$	15.00
10/1/2009	Salem	Hot water pump for HTST (from MIC 8/31/07)	\$	12.50
10/1/2009	Salem	CIP PLC System (From MIC on 8/31/07)	\$	-
10/1/2009	Salem	Valves for CIP System (From MIC on 8/31/07)	\$	-
11/1/2009	Salem	12 Cylinder Compressor Rebuild (From MIC 8/31/07)	\$	-
11/1/2009	Salem	HTST & CIP Systems (From MIC on 8/31/07)	\$	-
11/1/2009	Salem	Hoyer Freezer (From MIC on 8/31/07)	\$	-
11/1/2009	Salem	Continuous Freezer (From MIC on 8/31/07)	\$	-
12/1/2009	Salem	Rebuild Hoyer (from MIC on 8/31/07)	\$	-

12/1/2009	Salem	000002-Machinery & Equipment	\$	-
12/1/2009	Salem	[LKT000001] TRADED 02/01/04 NBV-B 8825.88	\$	-
200859	Salem	[LKT000002] TRADED 01/28/05 NBV-B 3618.06	\$	-
200909	Salem	000033-1992 Dodge Van	\$	-
200955	Salem	000035-1994 Utility Trailer #23A	\$	-
201001	Salem	000038-1998 International Tractor #25	\$	-
201002	Salem	000001-Office Furniture & Equipment	\$	-
201002	Salem	Hoyer Pump (from MIC 8/31/2007)	\$	-
201003	Salem	000007-Security Alarm System	\$	-
201003	Salem	Doboy Wrapper (from MIC 8/31/07)	\$	-
201004	Salem	000013-EDI Program for AS400	\$	-
201004	Salem	000014-Ink Jet System	\$	-
201005	Salem	000016-Gauges	\$	-
201006	Salem	000015-New Evaporator	\$	-
201007	Salem	000019-Tuck Tite Machine	\$	-
201009	Salem	000012-Computer Network	\$	-
201010	Salem	000018-Bag Sealer	\$	-
201011	Salem	Box Taper (from MIC 8/31/07)	\$	-
201012	Salem	000017-Cream Storage Tank	\$	-
201017	Salem	000020-HTST Pasteurizer	\$	-
201019	Salem	000023-Gauges	\$	-
201020	Salem	000024-Copeland Compressor	\$	-
201023	Salem	000026-Dell Computer	\$	-
201024	Salem	000027-Swab Tester	\$	-
201025	Salem	000025-A/R Program for AS400	\$	-
201026	Salem	00048 - Office Furniture	\$	-
201027	Salem	00049 - Plant Computer/Printer	\$	-
201028	Salem	00061 - MAS 90 Software	\$	-
201029	Salem	00062 - Software	\$	-
201030	Salem	00063 - Dell Computer	\$	-
201031	Salem	00064 - Plant Network	\$	-
201088	Salem	000091-92 Dell OptiPlex GX620 Desktop (2)	\$	-
201003B	Salem	Dell Laptop	\$	-
20100630		Reconciling Items	\$	(472,947)